

3 December 1979

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 3 December 1979

The Director and Mr. Carlucci were attending an SCC meeting on Iran; Dirks was on leave; McMahon chaired the meeting.

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McMahon reported attack by anti-American demonstrators on the U.S. Embassy in Tripoli; he noted demonstrators have now learned how Embassy personnel escaped to the British Embassy and said it has also been learned the demonstrators plan to attack again today--the Embassy will be kept vacant.

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Clarke reported growing interest in the economic implications stemming from U.S. actions in the Iran situation. He said he has tasked OER to provide a paper on this for possible use at the SCC meeting tomorrow.

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TOP SECRET

Calling attention to Gambino's recent evaluation of physical security (see Staff Meeting Minutes of 28 November), Wortman reported GSA has requested a reduction in guard force and overtime payments because of limited funding. He said GSA asked specifically that overtime payments be cut back beginning 1 December. However, in view of our particular situation, he said he was able to get GSA to postpone this issue. McMahon offered that, if needed, [] support can be made available. []

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Taylor called attention to Cyprus press reports of U.S. payments to the Government of Cyprus for maintaining U.S. bases in that country; he noted this could become a problem. []

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McMahon, following up on Taylor's remark re Cyprus, said reports from [] Tehran have indicated local police are taking over from revolutionaries in maintaining law and order in the streets. []

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Attachment

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TOP SECRET

IRAN SAYS HOSTAGES INCLUDE C.I.A. AIDES; U.S. CONCERN RISING

USE OF SCAPEGOATS IS FEARED

A Cable Students Say They Found Lists Two Agency Employees Assigned to the Embassy

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, Dec. 1 — Militant Iranians holding the United States Embassy in Teheran said today that they had identified Central Intelligence Agency personnel among the 50 Americans they are holding, a development that heightened concern here over the safety of the hostages. They are in their 28th day of captivity.

The United States had no official comment on the purported cablegram made public by the Iranians that was said to have been sent on Aug. 8 by L. Bruce Laingen, the chargé d'affaires. The message spoke of "the great sensitivity locally to any hint of C.I.A. activity."

It has been assumed throughout the crisis that some of the embassy hostages may be C.I.A. employees carrying out duties that are often similar to those of regular Foreign Service officers — to report and analyze political, economic and military events. Most nations attach intelligence officers to their embassies to perform such functions.

Concern They May Be Scapegoats

There is concern that the Iranians, conditioned to equate "C.I.A." with efforts to subvert Iran, may try to make scapegoats of those they charge with being intelligence officers. The agency usually has analysts attached to United States embassies under a cover title.

The document mentioned two embassy officers, Malcolm Kalp and William Daugherty, and said that they should be involved in "S.R.F. coverage" and should use the titles of second and third secretary as cover. The message also said the embassy should limit "our S.R.F. assignments for the foreseeable future." The Iranians at the embassy said Mr. Daugherty had acknowledged working for the C.I.A.

Reference to Cover Designations

The State Department declined to explain the abbreviation "S.R.F.," but former officials said it stands for "special reporting facility" and refers to an office in embassies that is usually staffed by C.I.A. analysts who perform functions similar to those of Foreign Service officers.

It is common, a former official said, for an embassy to pass on a recommendation and assert that "S.R.F. concurred," meaning that the C.I.A. analysts agreed.

The purported Laingen cablegram also expressed concern about the "old and apparently insoluble problem of 'R' designation for S.R.F. officers." This was a seeming reference to the identification of embassy personnel.

Those who enter the Foreign Service through examination are listed as "F.S.O." or Foreign Service Officer. Those who enter the Foreign Service some other way are listed as "F.S.R." or Foreign Service Reserve. C.I.A. employees attached to embassies are among those in the "F.S.R." category.

The two categories of Foreign Service personnel used to be identified in a public document, The Biographic Register, issued by the State Department. Its publication was halted three years ago to prevent vital information from becoming public.

Officials said the United States had sought to reduce the number of C.I.A. analysts in Iran because of the volatility of the situation. The document produced in Teheran today seemed to indicate that the C.I.A. presence was minimal compared with other posts.

Similarly, military attachés attached to United States embassies report to the Defense Intelligence Agency, and some Pentagon officials have expressed concern about the fate of the attachés in Iran.

The cablegram also mentioned the word "refuels," or reference telegrams, meaning previous exchanges.

The State Department, meanwhile, showed irritation over conflicting signals from Iran. Yesterday the new Foreign Minister, Sadegh Ghotbzadeh, said that Mr. Laingen and two of his aides who have been isolated at the Foreign Ministry since the embassy takeover were free to leave but that their safety could not be guaranteed if they did. The Iranians holding the embassy said the three could not leave.

The State Department commented that the Foreign Minister "may not have the powers traditionally associated with the Foreign Ministry."